

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00 CIAE-00

PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 AID-05 SSC-01 /057 W

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O R 040100Z SEP 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 6656

INFO AMEMBASSY LA PAZ

AMEMBASSY MEXICO

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

USCINCSO

DIA WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 LIMA 7257

EO 11652: GDS

TAGS: PINT, PGOV, PE

SUBJECT: CABINET CHANGES - POLITICAL SIGNIFICANCE

REF: LIMA 7177, LIMA 7178

SUMMARY: CABINET CHANGES ANNOUNCED NIGHT OF SEPTEMBER 1 ARE UNSEFUL INIDCATORS FOR PRELIMINARY ATTEMPT TO GUAGE POLITICAL DIRECTION OF MORALES BERMUDEZ REGIME. THE SIGNALS ARE NOT ENTIRELY CLEAR BUT ON BALANCEWE FEEL THAT MORALES BERMUDEZ GOVERNMENT, JUDING IN PART BY THE MEN NOW IN KEY POSITIONS, WILL BE MORE MODERATE AND PRAGMATIC THAN THE VELASCO REGIME. HOWEVER, THERE ARE SOME "RADICALS" IN KEY POSITIONS AND OVER TIME THEY MAY BE ABLE TO CHANNEL THE REVOLUTION ALONG A COURSE OF GREATER SOCIAL CHANGE AND FURTHER RADICALIZATION. US - PERU RELATIONS SHOULD BE CARRIED OUT I A MORE EVEN AND MUTUALLY SATISFACTORY MANNER END SUMMARY.

1. PLICITICAL SIGNALS EMANITING FROM COMPOSITION OF THE MORALES BERMUDEZ CABINET ARE NOT CLEAR OR DEFINIFIVE. ON BALANCE WE
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FEEL THE NEW GOVERNMENT, JUDGING BY MEN IN KEY POSITIONS, WILL

BE MORE MODERATE AND PRAGMATIC THE VELASCO REGIME--AT LEAST IN THE SHORT RUN (PERHAPS NEXT TWO YEARS). HOWEVER, MEN WHO IN THE PAST WERE CONSIDERED TO BE "RADICALS" IN THE PERUVIAN REVOLUTIONARY CONTEXT HAVE BEEN APPOINTED TO KEY POSITIONS WHICH OVER A TIME COULD MEAN GREATER SOCIAL CHANGE AND FURTHER RADICALIZATION OF THE REVOLUTION.

2. CONCERNING US - PERUVIAN RELATIONS, INDICATIONS ARE THAT -- FOLLOWING A PRUDENT SETTLING IN PERIOD -- RELATIONS WILL BE CARRIED OUT IN A MORE EVEN AND MUTUALLY SATISFACTORY MANNER. NEW MINISTER OF ENERGY AND MINES, LUIS LA VERA VALARDE (FORMER COMMANDER OF THIRD MILITARY REGION IN AREQUIPA AND CLASSMATE OF MORALES BERMUDEZ) IS CONSIDERED TO BE PRAGMATIC, MODERATE, TOUGH-- AND FRIENDLY TOWARD THE U.S. LA VERA VALARDE HAS HAD LONG AND CLOSE RELATIONSHIP WITH AID MISSION STEMMING FROM DAYS WHEN HE RAN EARTHQUAKE AREA DEVELOPMENT PROGRAM (ORDEZA). HE DOES NOT CARRY NEGATIVE IDEOLOGICAL NEWS ON AMERICAN MULTINATIONALS THAT CHARACTERIZED FORMER MINISTER FERNANDEZ MALDONADO. LA VERA VALARDE WILL BE IN AN EXTREMELY DELICATE POSITION NOT ONLY BECAUSE OF PRESSURES SURROUNDING MARCONA EXPROPRIATION PROBLEM BUT BECAUSE HE MUST DEAL WITH MILITANT UNIONS IN MINE SECTOR. HE MAY DEPEND ON HIS CLOSE RELATIONSHIP WITH MORALES BERMUDEZ TO KEEP FROM BEING POLITICALLY "BURNED".

3. CABINET CHANGES SHOULD PLEASE THE NAVY, WHICH TRADES INDUSTRY AND COMMERCE FOR THE FISHERIES MINISTRY, WHICH IT HAD LONG SOUGHT, WHILE RETAINING ITS OTHER POSTS. THE ARMY AND AIR FORCE EACH SURRENDER A MINISTRY IN ORDER TO MAKE ROOM FOR GUARDIA CIVIL AND CIVILIAN PARTICIPATION.

4. OPENING A CABINET-LEVEL POSITION IN THE GOVERNMENT FOR THE FIRST TIME TO THE GUARDIA CIVIL IS CLEARLY INTENDED AS MILITARY RECOGNITION FOR THE KEY ROLE PLAYED BY THAT ORGANIZATION IN THE MAINTENANCE OF THE PUBLIC ORDER AND AS A GESTURE OF APOLOGY FOR ARMY SUPPRESSION OF POLICE STRIKE ON FEBRUARY 5. MORALES BERMUDEZ WAS NOT PERSONALLY INVOLVED IN THE DECISION TO CRUSH THE POLICE STRIKE (OCCASIONED BY WAGE GRIEVANCES AND FACTORS RELATED TO SERVICE HONOR AND PRESTIGE) AND THIS CABINET POSITION (ORDEZA) GIVEN TO GENERAL COSTA IS SYMBOLIC OF RESTORED MILITARY - POLICE FORCE UNITY.

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5. LUIS BARUA CASTANEDA IS A CIVILIAN TECNOCRAT WHO HAS BEEN PRESIDENT OF THE PERUVIAN DEVELOPMENT CORPORATION (COFIDE). HE WORKED CLOSELY WITH MORALES BERMUDEZ WHEN THE LATTER WAS MINISTER OF ECONOMY AND IS THE FIRST CIVILIAN TO ENTER THE REVOLUTIONARY GOVERNMENT AT CABINET LEVEL. BARUA IS REPRESENTATIVE OF THE GROUP OF PRIMARILY YOUNG PROFESSIONALS WHO SERVE THE REVOLUTION. IN ADDITION HIS APPOINTMENT IS SYMBOLIC OF MORALES-BERMUDEZ

BID FOR BROADER CIVILIAN PARTICIPATION IN THE GOP. IN THIS REAGRD
APRA SOURCE HAS TOLD EMBASSY THAT VICTOR RAUL HAYA DE LA TORRE
VIEWS THE CHANGE AS "AN OPENING TO WESTERN DEMOCRACY".

6. THE INTERIOR MINISTER OF COURSE PLAYS A PIVOTAL ROLE IN GOP
RELATIONSHIP TO POLITICAL GROUPS. MINISTER RICHTER WAS ANTI-
COMMUNIST AND HAD EXECUTED THE RECENT GOP CRACKDOWN ON FAR-LEFT.
HE WAS ASSOCIATED WITH EFFORTS TO REDUCE LEFTIST INFLUENCE IN
SINAMOS AND IN THE INCIPIENT POLITICAL ORGANIZATION (OPRP).
RICHTER WORKED CLOSELY WITH THE EMBASSY DEA ON DRUG PROBLEMS.

HOWEVER, HE MAY HAVE HAD TO PAY FOR THE VELASCO REGIMES AND ARMYS
COLLECTIVE ERROR OF FEBRUARY 5TH. REMOVAL OF RICHTER COULD BE SEEN AS
MORALES BERMUDEZ OFFER OF RECONCILIATION WITH GUARDIA CIVIL AND
DISAFFECTED CIVILIAN ELEMENTS, INCLUDING LEFTISTS AND APRA.
EMBASSY HAS ALSO HEARD OF POSSIBLE PERSONAL CONFLICTS BETWEEN
MORALES BERMUDEZ AND RICHTER. ON THE OTHER HAND WE HAVE ALSO HEARD
THAT THE MODERATE AND FIRMLY ANTI-COMMUNIST RICHTER IS NOT OUT OF
FAVOR BUT MERELY AWAITING TRANSFER (TO IMPORTANT TROOP COMMAND).
THE NEW MINISTER OF INTERIOR, GENERAL CESAR CAMPOS QUESADA
(FORMER CHIEF OF ARMY INTELLIGENCE) IS CONSIDERED TO BE AN INTERIM
APPOINTMENT; HE IS TO RETIRE AT END OF YEAR, AND IS EXPECTED TO
BE REPLACED BY ANOTHER ARMY GENERAL POSSIBLY BY CLOSE MORALES BERMUDEZ
ADVISOR GENERAL JOSE VILLALOBOS. GENERAL CAMPOS WILL PROSIDE
OVER THE JUST-AUTHORIZED RETURN OF RECENT DEPORTEES (REPORTED
SEPTEL).

7. REPLACEMENT OF GENERAL SEGURA AS GOP INFORMATION CHIEF
BY GENERAL RODRIGUEZ FIGUEROA, WHO REMAINS IN COMMAND OF SECOND
MILITARY REGION (LIMA), IS AN EXTREMELY IMPORTANT CHANGE. OTHER
THAN MORALES BERMUDEZ AND PERHAPS FERNANDEZ MALDONADO, THE
PERSON WHO APPEARS TO HAVE BENEFITED THE MOST FROM AUGUST 29
COUP IS RODRIGUEZ FIGUEROA WHO, AS COMMANDER OF SECOND MILITARY
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REGION VIRTUALLY HAD TO BE BROUGHT ALONG IF COUP WAS
TO BE SUCCESSFUL. RODRIGUEZ FIGUEROA RETAINS HIS
MILITARY COMMAND AND ASSUMES A POLITICALLY SENSITIVE CABINET-
LEVEL POST. OTHERS WHO HAVE IN THE PAST ASSUMED SIMILARLY SEN-
SITIVE POSITIONS HAVE USUALLY HAD TO RELINQUISH THEIR COMMANDS. AND
THE NATIONAL INFORMATION SYSTEM (SINADI), WHICH RODRIGUEZ
FIGUEROA WILL DIRECT, IS INCREASINGLY IMPORTANT FOR PROMULGATION
OF THE REVOLUTIONARY MESSAGE AND CONCEIVABLY EVEN FOR THE ULTIMATE
SUCCESS OF THE REVOLUTION. RODRIGUEZ FIGUEROA HAS IN PAST BEEN
CONSIDERED TO BE ONE OF CHIEF "RADICALS" IN THE REVOLUTION.
MOST RECENTLY HE HAS BECOME IDENTIFIED WITH MORALES BERMUDEZ
AND HAS ACQUIRED A SOMEWHAT MORE MODERATE IMAGE. HE IS CON-
SIDERED AN HONEST AND PROFESSIONAL MILITARY OFFICER. BARRING
UNFORTHWART EVENTS, RODRIGUEZ FIGUEROA SHOULD BE IN LINE FOR PRIME
MINISTRY IN 1978. EMBASSY NOTES THAT CLOSE MORALES BERMUDEZ

ASSOCIATE, GENERAL JOSE VILLALOBOS, IS THE TOP ADVISOR AT SINADI AND MAY HELP INSURE THAT THE INFORMATION SYSTEM RESPONDS TO MORALES BERMUDEZ. THE NEW PRESIDENT IS SAID TO BE SENSITIVE ON THIS POINT, HAVING BEEN RECENT VICTIM OF PRESIDENT VELASCO'S DIRECTIVE TO MINIMIZE TV AND PRESS COVERAGE ON MORALES BERMUDEZ.

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ACTION ARA-10

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O R 040100Z SEP 75
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TO SECSTATE WASHDCIMMEDIATE 6657
INFO AMEMBASSY LA PAZ
AMEMBASSY MEXICO
AMEMBASSY QUITO
AMEMBASSY SANTIAGO
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C O N F I D E N T I A L SECTION 2 OF 2 LIMA 7257

8. APPOINTMENT OF FORMER MINES MINISTER JORGE FERNANDEZ MALDONADO AS ARMY CHIEF OF STAFF SHOULD BE CONSIDERED MAJOR STEP UP FOR HIM. WHILE HIS REMOVAL FROM THE MINISTRY OF MINES WERHE HE HAS BEEN ASSOCIATED WITH SUCCESSIVE NATIONALIZATION OF U.S. MULTI-NATIONAL CAN BE SUCCESSIVE NATIONALIZATIONS OF U.S. MULTI-NATIONALS CAN BE CONSIDERED POSITIVE FROM OUT VIEWPOINT, FERNANDEZ MALDONADO'S NEW POSITION IS A KEY ONE. IN IT HE IS THE (UNLESS MORALES BERMUDEZ TAKES ACTION TO THWART HIM). MOST LIKELY CANDIDATE FOR PRIME MINISTER WHEN GENERAL VARGAS PRIETO RETIRES IN JANUARY (FORMER ARMY CHIEF MEZA CUADRA WHO CLOSE TO VELASCO HAS RESIGNED AND CHIEF OF JOINT COMMAND MAY BE FROM ANOTHER SERVICE). FERNANDEZ MALDONADO HAS BEEN CONSIDERED TO BE A THOROUGH-GOING RADICAL BUT THESE DESIGNATIONS HAVE TO BE CONTINUALLY REASSESSED. HE IS A CLASSMATE OF MORALES BERMUDEZ, BUT IT IS REPORTED THAT THEIR OFFICIAL AND PERSONAL RELATIONSHIP

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ARE STRAINED. FERNANDEZ MALDONADO IS SCHEDULED FOR MILITARY RETIREMENT IN 1978 AND SO ALMOST CERTAINLY CANNOT SUCCEED MORALES BERMUDEZ AS PRESIDENT UNLESS BY A COUP.)

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9. REMOVAL OF FISHERIES MINISTER TANTALEAN (HE IS UNDER HOUSE ARREST PROBABLY BASED ON CHARGES OF CORRUPTION) AND SINAMOS CHIEF SALS OROSCO WILL HAVE FUNDAMENTAL IMPACT ON GOP POLITICAL ORGANIZATION (OPRP). TANTALEAN WAS MAJOR FORCE BEHIND ANTI-COMMUNIST REVOLUTIONARY LABOR MOVEMENT (MLR), WHICH HAD FORMALLY DISBANDED BUT WHICH WAS EXPECTED TO INFLUENCE THE OPRO. THE GOVERNMENT'S TRADE UNION, CTOP, ALSO WAS UNDER TANTALEAN'S TUTELAGE WITH DIRECTION CHANNLED THROUGH FISHERIES MINISTRY AND PESCA PERU. THE CTOP WILL PROBABLY UNDERGO REORGANIZATION.

10. SALS OROSCO, TANTALEAN, AND RICHTER WERE KEY GOP CONTACTS WITH APRA; THIS CHANNEL OBVIOUSLY WILL BE BROKEN. APRA, HOWEVER, ALWAYS HAD HOPEFUL ATTITUDE REGARDING MORALES BERMUDEZ AND HE MAY HAVE DECIDED TO DROP THE USE OF INTERMEDIARIES IN ORDER TO CONSULT MORE DIRECTLY WITH CIVILIAN GROUPS. APRA SOURCE TOLD EMBOFF THAT HAYA DE LA TORRE IS 33RD DEGREE YORK-RITE MASON, AS HOPES TO PUT THIS RELATIONSHIP TO GOOD USE. MASONIC RELATIONSHIP HISTORICALLY PLAYED PART IN BARGAINING AMONG MEXICAN POLITICAL ELITES AND IT IS NOT INCREDIBLE THAT RELATIONSHIP COULD BE POLITICALLY RELEVANT IN TODAY'S PERU.

11. THE NEW JUNTA IS COMPOSED OF REVOLUTIONARY MODERATES SOLIDLY BEHIND MORALES BERMUDEZ (PARODI AND PODESTA WERE WITH MORALES BERMUDEZ IN LA PAZ RECENTLY, AS WERE GUARDIA CIVIL CHIEF ZAPATA AND AMBASSADOR MARIATEGUI OF THE FOREIGN OFFICE. SOME MEMBERS OF THIS GROUP MAY HAVE DISCUSSED COUP PLANS AT THAT TIME.) FULL CABINET ALSO MODERATE ON BALANCE ALTHOUGH THE POSITIONS OF FERNANDEZ MALDONADO AND RODRIGUEZ FIGUEROA AND THE RETENTION IN CABINET OF FORMERLY RADICAL COLONELS (NOW GENERALS AND MORALES BERMUDEZ SUPPORTERS) GALLEGOS AND HOYOS WHO WERE INSTRUMENTAL IN 1968 COUP MAY BE SURPRISE FOR LEFTIST AND COMMUNIST PARTY HOPE THAT REVOLUTION WILL GO THEIR WAY.

12. EMBASSY WILL CABLE MORE BIO INFORMATION ON NEW CABINET.
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